

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7032

BILL NUMBER: HB 1218

NOTE PREPARED: Jan 3, 2003

BILL AMENDED:

SUBJECT: Department of Fire and Building Services.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- 1) It allows the Boiler and Pressure Vessel Rules Board to adopt national boiler and pressure vessel codes by emergency rule.
- 2) It exempts temporary maintenance and repair structures from the building laws.
- 3) It allows the agencies and board enforcing the fire safety, building, and equipment laws to impose a civil penalty not to exceed \$500.
- 4) It changes the qualifications of the director of the Division of Plan Review.
- 5) It requires a regulated boiler or pressure vessel to be insured unless the vessel is owned by the state or an owner user inspection agency.
- 6) It increases the surety bond requirement for an inspection agency from \$5,000 to \$100,000.
- 7) It requires the Boiler and Pressure Vessel Rules Board to adopt rules defining a regulated boiler and pressure vessel.
- 8) It repeals a provision defining regulated boiler and pressure vessel.
- 9) It makes other changes in the fire safety, building, and equipment laws.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Administrative Rules and Fee Setting* - To the extent that the bill allows the Boiler and Pressure Vessel Rules Board to adopt rules and set fees, Board administration costs could increase, although this amount is expected to be minimal.

Director of the Division of Plan Review - Under current law, the director of the Division of Plan Review must

be a registered architect or professional engineer qualified in the design and construction of Class 1 structures. There could be minimal fiscal impact on payroll expense from adding to the requirements that the director may instead be qualified by experience in the administration of building laws. The annual salary for the director position is approximately \$52,000.

Inspector Qualifications - An inspector employed or contracted for inspection of regulated amusement devices must have at least a Level 1 certification from the National Association of Amusement Ride Safety Officials. Under the bill, the inspector would be required to maintain this Level 1 certification and participate in training programs established by the Department of Fire and Building Safety (DFBS). Expenditures for employee training by the DFBS could increase for the approximately 18 elevator and amusement device inspectors. The DFBS is funded by the Fire and Building Safety Fund, but expenditures from the Fund could be offset by proposed changes in the Fire and Building Safety Education Fund (see below).

Explanation of State Revenues: *The Education Fund* - Under current law, \$5 of the design release fee is deposited in the Fire and Building Safety Education Fund to provide funds to local fire and building inspection departments to enroll in education and training programs approved by the DFBS. The bill would allow the Office of the State Building Commissioner and the Office of the State Fire Marshal to enroll in education and training programs, as well. Revenues and expenditures of the Fire and Building Safety Education Fund are shown below:

	Revenues	Expenditures
FY 1998	\$43,633	\$45,992
FY 1999	44,995	43,540
FY 2000	55,381	50,875
FY 2001	73,015	63,768
FY 2002	52,174	65,160

Civil Penalties - The bill allows the DFBS to impose a civil penalty of \$500 for each day a violation of an order to cease and correct a violation of the code occurs, and a \$1,000 civil penalty for each violation of 42 U.S.C. 5409. There are no data available to indicate how many civil penalties may be assessed or the period of days a violation may continue. Revenues from the civil penalties would be deposited in the Fire and Building Services Fund which provides for the expenditures of the DFBS.

Class C Infraction and Class A Misdemeanor - Under the bill, a Class C infraction for violation of 42 U.S.C. 5409 would be eliminated. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund, and court fees are \$70. Of the court fee, 70% is deposited in the state General Fund if the case is filed in a court of record, or 55% if the case is filed in a city or town court.

The bill also limits the fine to \$1,000 for a violation of 42 U.S.C. 5409 that threatens the health or safety of any purchaser. The maximum fine allowable under current law for a Class A misdemeanor is \$5,000, which is deposited into the Common School Fund.

Inspection of Manufactured Homes - Currently, the DFBS is contracted by the federal Housing and Urban

Development (HUD) agency to inspect consumer complaints concerning manufactured housing and to collect fees for the inspection. The bill would grant statutory authority for the DFBS to fulfill its contract, but would not change revenues received.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Class C Infraction* - The elimination of a Class C infraction would reduce the revenue received by local governments from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Department of Fire and Building Services.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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